(MR. SPEAKER.)

to nearly 400 families residing in Rajaji Nagar Labour Housing Estate, Bangalore."

Sri A. G. RAMACHANDRA RAO (Minister for Law and Education).—I will look into the matter.

Mr. SPEAKER.—Next item.

KOLAR GOLD MINING UNDERTAKINGS (Acquisition) BILL, 1956.

Introduction.

Sri H. SIDDAVEERAPPA (Minister for Home and Finance).—Sir, I beg to introduce the Kolar Gold Mining Undertakings (Acquisition) Bill, 1956, which has been published in the *Mysore Gazette* Extraordinary dated 29th September 1956, under Rule 48 of the Rules of Procedure and Conduct of Business in the Mysore Legislative Assembly.

Motion to consider.

Sri H. SIDDAVEERAPPA (Minister for Home and Finance).—Sir, I beg to move.

"That the Kolar Gold Mining Undertakings (Acquisition) Bill, 1956, be taken into consideration."

*Sri T. MARIAPPA (Mysore City North).—Sir, before the Minister makes a statement, I would like to enquire whether the entire Bill has to be discussed and passed to-day or whether he would like the entire House to discuss it in detail and consider it to the entire satisfaction of the House. After all a few hours are left and our idea is not to hurry through. Let him give an opportunity to the House to consider it dispassionately and see that full justice is done not only to the Bill but also to create an impression that we are going to do justice. Even the justice that is done should also appear to be justice.

Mr. SPEAKER.—This Business on the Agenda has been put down in consultation with the Leader of the House and Government. So far as I can see, the Government is anxious to pass the Bill. This question has been discussed and the House unanimously approved that this matter should be taken up immediately." From the views expressed by the Government, I feel there is already delay and further postponement will result in some more delay. Therefore I have put this Bill on the Agenda.

Sri T. MARIAPPA.—May I submit that there is no idea whatsoever on the part of the Members to delay this Bill? But, is it not proper that we should discuss the whole Bill in detail and try to ventilate how far it could be remedied if there is anything.

Sri K. HANUMANTHAIYA (Ramanagaram).—Sir, though I am out of office I am interested in laying down good conventions. When the Leader of the House who is also the Leader of the Congress Party says on behalf of the Government that a particular business should be taken up, it would be an act of indiscipline to go on questioning his judgment and discretion. I hope at least now onwards this kind of fissiparous tendencies on the part of Treasury Benches will stop. When the Leader of the House and Leader of the Opposition come to a decision that must be implemented with dignity.

Sri T. MARIAPPA.—Sir, the question of discipline among the Ruling party is out of place here. We only wanted some more hours to discuss the Bill.

Sri A. BHEEMAPPA NAIK (Molakalmuru).—My friend from Ramanagaram has been anxious to-day to bring in discipline in the Treasury Benches and I am very happy he has at least realised it to-day.

Mr. SPEAKER.—You need not comment on the statement made.

Sri. A. BHEEMAPPA NAIK.—What we all feel is that there should be discussion. He does not want even that. What all friends say is this: Let us not hustle through this Bill. Whether we can discuss it within the two hours available or not is a different matter. There is no doubt that the matter is urgent and the House is unanimous that we should acquire the property. Only yesterday the Bill has been published and to-day it is before the House. To use the words 'fissiparous tendency on the part of Treasury Benches' and all that, is out of place. My friend will at least realise now that our behaviour is more disciplined than what

he was doing at the time he was the Leader of the House.

*Sri J. MOHAMED IMAM (Jagalur).—Sir, we on this side are not concerned with their internal discipline or indiscipline. We always judge this issue from the point of view of whether it is good for the whole State. We have thought over the matter and, Sir, we have come to the conclusion that there is no need for the appointment of a Select Committee, for these reasons: firstly, we are not considering this question in a hurry. This question is before this House for a long time and it has been discussed threadbare a number of times. Secondly, Sir, the Bill before us is the result of negotiations between three or four parties. You may remember that this measure is long overdue. Nationalisation is long overdue and we are anxious that this object should be accomplished as early as possible. So, when the measure is the result of a tripartite conference, we do not want to create any embarrassment which may delay the passing of this Bill. Thirdly, the time at our disposal is very short. Nationalisation has to be done within a fortnight and there is a good deal of work to be done and any delay in passing it may frustrate the good cause which we have undertaken. Time is very limited. Since the principle of nationalisation has been accepted, and since we are anxious that the whole concern should be nationalised as early as possible and since any interference or change in the Bill may delay the object, we on this side are prepared to forego the select committee stage. But this should not be taken as a precedent for others, because in all important legislative measures, we are anxious to have it considered by a select committee. But here, since there is no time and since the principle has been accepted, we have no objection to extend our co-operation to the Government in passing it to-day without referring it to select committee.

ಶ್ರೀ ಎಚ್. ಕೆ. ವೀರಣ್ಣಗೌಡ (ಮದ್ದೂರು). — ಸ್ವಾಮಿ,

ಈ ಮಸೂದೆಯನ್ನು ಚರ್ಚೆ ಮಾಡಿ ಸಾಧ್ಯವಿದ್ದರೆ ಈ ದಿನವೇ ನಮ್ಮ ಅನುಮೋದನೆಯನ್ನು ಕೊಡ ಬೇಕೆಂಬ ಬಗ್ಗೆ ಮಾತನಾಡಿ, ನನ್ನ ಅಭಿಪ್ರಾಯ ತಿಳಿಸಬೇಕೆಂದು ಎದ್ದು ನಿಂತಿದ್ದೇನೆ. ಆದರೆ ಹಾಗೆ ಮಾಡುವುದಕ್ಕೆ ಅಂದರೆ ಈ ದಿನವೇ ಅನುಮೋದಿಸುವುದಕ್ಕೆ ಶ್ರೀ ಹನುಮಂತಯ್ಯನವರು ಹೇಳಿದ ಕಾರಣವನ್ನು ಮಾತ್ರ ಹೇಳುವುದಿಲ್ಲ. "ಅಟ್ಟಮೇಲೆ ಒಲೆ ಉರಿಯುತು" ಎಂಬಂತೆ ಅವರು ತಮ್ಮ ವಾದವನ್ನು ಹೇಳಿದ್ದಾರೆ. ಆ ದೃಷ್ಟಿಯಿಂದ ನಾನು ಹೇಳುತ್ತಿಲ್ಲ. ಬೇರೆ ದೃಷ್ಟಿಯಿಂದ ಹೇಳುತ್ತಿದ್ದೇನೆ. ಶ್ರೀ ಇಮಾಂ ಅವರು ಹೇಳುವ ಅಭಿಪ್ರಾಯಕ್ಕೂ ನನ್ನ ಅಭಿಪ್ರಾಯಕ್ಕೂ ಯಾವಾಗಲೂ ವಿರೋಧವಾಗಿರುತ್ತದೆ. ಆದರೆ ಈ ದಿವಸ ನಾವಿಬ್ಬರೂ ಒಂದೇ ರೀತಿ ಹೇಳಬೇಕಾದ ಸಂದರ್ಭ ಬಂದಿದೆ. ಈ ವಿಷಯದ ಮೇಲೆ ಹಿಂದೆ ಅನೇಕ ಸಾರಿ, ಅನೇಕ ಸಂದರ್ಭಗಳಲ್ಲಿ ಚರ್ಚೆ ಮಾಡಿದ್ದೇವೆ. ಮುಖ್ಯವಾಗಿ ಈ ಮಸೂದೆಯಲ್ಲಿರುವ ತಕ್ಕದ್ದು ನಾವು ಚಿನ್ನದ ಗಣಿಗಳನ್ನು ವಹಿಸಿಕೊಳ್ಳಬೇಕು ಮತ್ತು ಇದುವರೆಗೂ ಕೆಲಸ ಮಾಡುತ್ತಿದ್ದ ಕಂಪೆನಿಗಳವರಿಗೆ ಕಾಂಪೆನ್ಸೇಷನ್ ಕೊಡಬೇಕು ಮತ್ತು ಎಷ್ಟು ಕೊಡಬೇಕು ಎಂಬುದು. ಇವು ಮುಖ್ಯವಾದುವು. ಬಾಕಿಯದೆಲ್ಲ ಅದಕ್ಕೆ ಪ್ರಾಸಂಗಿಕವಾದುದನ್ನು ಮಾತಿದ್ದಾರೆ. ಮುಖ್ಯವಾದವುಗಳನ್ನು ತೆಗೆದುಕೊಂಡರೆ ಇದರಲ್ಲಿ ಕೇಳಿರುವ ಕಾಂಪೆನ್ಸೇಷನ್ ಜಾಸ್ತಿಯಾಗುತ್ತದೆಂದು ಹೇಳಬಹುದು. ಆದರೆ ಪೂರ್ವಭಾವಿಯಾಗಿ ತರೆ ಮರೆಯಲ್ಲಿ ಸಂಸ್ಥಾನ ಸರ್ಕಾರದವರೂ, ಕೇಂದ್ರ ಸರ್ಕಾರದವರೂ, ಕಂಪೆನಿಯ ಪರ ಅವರ ಲಾಯರುಗಳೂ ಸೇರಿ ಆಲೋಚನೆ ಮಾಡಿ, ಒಂದು ತೀರ್ಮಾನಕ್ಕೆ ಬಂದಮೇಲೆ ಮಸೂದೆ ಈ ಸ್ವರೂಪದಲ್ಲಿ ನಮ್ಮ ಮುಂದೆ ಬಂದಿದೆ. ಆದುದರಿಂದ ಇದು ಸೆಲೆಕ್ಟ್ ಕಮಿಟಿಗೆ ಹೋಗಬೇಕಾದ್ದಾಗಲಿ, ಇತರ ಯಾವ ರೀತಿಯ ಬದಲಾವಣೆಗಳನ್ನೂ ಮಾಡಬೇಕಾದ ಸಲಹೆಗಳಾಗಲೀ, ಅವಶ್ಯಕವಿಲ್ಲ. ಅದಕ್ಕೆ ಅವಕಾಶವಿಲ್ಲವೆಂಬುದು ನನ್ನ ಭಾವನೆ. ಶ್ರೀ ಮರಿಯಪ್ಪನವರು ಹೇಳಿದುದನ್ನೂ ನಾನು ಅನುಮೋದಿಸುತ್ತೇನೆ. ನಾವು ನ್ಯಾಯವಾಗಿ ಮಾಡುವುದೊಂದೇ ಸಾಲದು. ನೋಡುವವರಿಗೆ ನ್ಯಾಯವಾಗಿ ಮಾಡಿದ್ದಾರೆಂದು ತೋರುವಂತೆ ಮಾಡಬೇಕು ಎಂದು ಅವರು ಹೇಳಿದ್ದಾರೆ. ಈ ಮಸೂದೆಯನ್ನು ಈ ದಿವಸ ಮಧ್ಯಾಹ್ನವಾದರೂ ಕುಳಿತುಕೊಂಡು ಇನ್ನೊಂದುನಲ ಚರ್ಚೆ ಮಾಡೋಣ. ಹಿಂದೆ ಮಾನ್ಯ ಕೆ. ಚಂಗಲರಾಯರೆಡ್ಡಿಯವರು ಮುಖ್ಯಮಂತ್ರಿಗಳಾಗಿದ್ದ ಕಾಲದಲ್ಲಿ, ಅಪ್ರೋಪ್ರಿಯೇಷನ್ ಬಿಲ್ ಮೇಲಿನ ಚರ್ಚೆ 30 ನೇ ತಾರೀಖಿನ ದಿನವೇ ಮುಗಿದು ಅದನ್ನು ಪಾಸ್ ಮಾಡಬೇಕೆಂದು ಹೇಳಿದ್ದರಿಂದ ಆ ದಿನ ಮೂರು ನಲ ಕುಳಿತುಕೊಂಡು ಚರ್ಚೆ ಮಾಡಿದೆವು. ನಾವೆಲ್ಲ ನಾಳೆ ಹೊರಡುವವರಾಗಿರುವುದರಿಂದ ಬೇಕಾಗಿದ್ದರೆ ಈ ಮಧ್ಯಾಹ್ನ ಕುಳಿತು ಚರ್ಚೆ ಮಾಡಿ ಇದನ್ನು ಅಂಗೀಕಾರ ಮಾಡುವುದು ಸೂಕ್ತವೆಂದು ಹೇಳುತ್ತೇನೆ.

Mr. SPEAKER.—May I bring it to the notice of the Hon'ble Members that we are accustomed to sit during nights if it is necessary. But since this Bill has to be passed and sent to the Upper House, it is very necessary that we should discuss and adopt this measure. It is better we finish it even if we sit late till 2 or 2-30 P.M., pass it and send it to the other House, so that the other House may be able to consider this Bill and pass it.

Sri H. SIDDAVEERAPPA.— Sir, I consider in the life of this Assembly to-day is a historic day historic for reasons more than one. So far as gold is concerned, this metal has been the cause of so much friction in this world. If you go to the history of it, it makes very fascinating reading. Right from the beginning of human civilisation, we have it in all civilisations that gold metal was called the majestic metal for some of its intrinsic qualities. In the world to-day, Sir, there are as many as 87 countries that are producing gold, out of which the most important are America, Canada, Australia, South Africa and Russia. Compared to the world production, comes to one per cent and it is our good fortune that this one per cent is to be exclusively found in our present State and other areas which will come to us from the 1st of November, that is, the HATHI gold mines. These two gold mines form the gold producing areas in India. Hence the importance of this metal cannot be over-rated.

Sir, I do not wish to take much valuable time of the House by going into the history of these mines or burdening this House with unnecessary details. When the Report of the Committee constituted to examine the working of the agreement of 1949 between the Government and the K. G. F. Companies was taken into consideration, all the details were given. Copious extracts starting with the beginning of the mining industry—how it was being done even before the present Mining Companies came into the picture – were given. Our people were already working the mines no doubt by crude methods. I have also stated that for the last several years these mines have been working. Some of them are there for the last 70 to 80 years. But during this long history, Sir, the idea of nationalising the mines has been before us and bfeore this country since a long time, more particularly from the year 1945. It was first propounded and initiated on the floor of the Legislative Council by the Hon'ble Sri K. C. Reddy who is now Production Minister in the Central Government. I read a few lines in that speech :

> " It has not been borne in mind —a very important factor—as to how much money has been drained away from our country as a result of having handed over the chief mining industry to a foreign concern. No doubt we congratulate ourselves and we feel glad that the State is earning so much income from the industry. At the same time I would like to tell the obverse of the situation. The capital invested on these gold mining companies in the beginning was in the neighbourhood of Rs. 2 crores. The Hon'ble Member, Mr. Taylor has, however, told us to-day that the market value of the share capital is about Rs. 4 crores and odd. Sir, if we keep in our mind the resources of our State, this is a very small capital indeed and it was possible for the State to have taken up this industry and reaped the entire benefits accruing from the same. "

He later quotes a passage from what Dadhabhai Naoraji once said :

> " With regard to the Gold Mines, or the mineral resources of Mysore, I hope the Mysore State itself, or the Mysore people, would work them and keep for themselves the wealth that Nature has given to them, instead of allowing a foreign people to take it away, leaving only a small royalty to the State and only labourer's wages to the people. ... I go even so far that Mysore should strain every nerve to prepare her own subjects to carry on the administration. "

Today, Sir, we are at a stage of fulfilling the prophetic words of this Great Son of India. I feel it is necessary now to give a brief review and to narrate the events that led to the presentation of this Bill before the Hon'ble House.

As the House is aware, in the year 1949, the Government entered into an agreement with the companies solely with the object of improving the conditions in the mines and keeping in view the longevity of the mines. It was also

expected that the treasury would get a sizable revenue. Afterwards the Government appointed a Committee to examine the working of this agreement. When its Report was presented, as I already submitted, it was discussed threadbare on the floor of this House. After that discussion, the House is aware, resolutions were passed in both Houses in the month of April 1955. In the Assembly, the resolution was unanimously passed as follows :

> " That this House approves of the recommendations of the Committee constituted to examine the working of the Agreement of 1949 between the Government and Kolar Gold Field Mining Companies and urges Government to take such measures as they may consider necessary in the interests of the State."

The resolution passed in the Legislative Council is as follows :

> "Having considered the Report of the Committee constituted to examine the working of the Agreement of 1949, between the Government and the Kolar Gold Mining Companies and allied matters, the Council urges upon the Government of Mysore to take such measures as they may consider necessary in the interests of the State. "

At this stage it may be noted that the Report of the Committee constituted by the Government does not anywhere mention that nationalisation is the only remedy. The concern of the Government then was to see how far and to what extent the revenues of the State could be augmented and in pursuance of this, negotiations were started with the Company and the Government of India. Our object was to see whether we could come to any agreement with regard to the working of the mines by the Company. Then subsequently, it so happened that in spite of protracted negotiations, nothing tangible was possible. I had to consult informally a large number of Hon'ble Members of this House and of the Upper House. They advised me regarding the action that will have to be taken, in May-1955. I discussed the question again with the Government of India. Then it was found that in the larger interests of the State and in pursuance of the mandate that was given by both the Houses of Legislature, nationalisation was the only feasible way under which we can work these mines in the interests of the State. My colleagues were good enough to accept my Report in the matter and the decision was taken that the Mines may be nationalised. This firm decision was taken somewhere in the month of May 1955. In pursuance of that firm decision, the Government of India wanted to know the exact position of the Mines. A Committee was constituted to go through the whole accounts, the assets and various other things.

10 A.M.

The Committee examined this question on grounds technical, administrative, economic, financial and geological and gave a report to the Government. In the meanwhile, the Legislative Assembly met in Dasara last year, *i.e.*, 17th October 1955. This Hon'ble House gave a firm mandate in these words to Government. The resolution passed at the session runs as follows :

> " This House is of opinion that Government should take necessary steps immediately towards the nationalisation of the Kolar Gold Fields as a first step towards the realisation of socialistic pattern of society: "

After this resolution was passed the Government prepared a draft Bill. In that Bill our original intention was that a compensation of Rs. 87·82 lakhs was proper compensation that could be paid according to the information that was available to us. Afterwards the question was taken up at the high level. The Chief Minister, myself, the Hon'ble Leader of the Opposition Shri Imam, Sri K. Pattabhiraman and Sri G. Veerappa, member of the Upper House, went and had interviews with the Prime Minister, the Minister in charge of Natural Resources—Maulana Azad, the Financial Minister and others at Delhi. The Government of India again

(SRI H. SIDDAVEERAPPA.)

referred this question to a High Power Committee called the Kaul Committee. They examined as to what should be the proper compensation that will have to be paid in this case. They examined thoroughly the memoranda presented both by the Government and the Company. The of Mysore Committee was of the view that stock and share value would be the proper basis and taking other circumstances which I shall refer to in greater detail when I come to the particular clause, into consideration, they were of the view that Rs. 169 lakhs would be the proper compensation that may be paid to the Companies. They of course, deducted the sterling assets these Primary Companies in England had to the extent of 50 lakhs, subject to errors, omissions and commissions. That was the finding of the Kaul Committee.

After this was over, representatives of the Companies were of the view that the compensation that was offered to be paid to them was wholly inadequate from their point of view. Afterwards, the question was again examined. At one stage it was suggested that the proper compensation would be Rs. 138 lakhs. Why Rs. 164 lakhs has been put here, I will explain in great detail and explain as to why Government agreed for Rs. 164 lakhs. I am making a brief survey by way of narration of events. Then, Sir, a draft Bill was prepared and subsequently, it was found desirable that the Government of India should help us in this matter. As we all know, we may pass the Bill but under the amended article 31 of the Constitution, the President's assent is absolutely necessary if the Bill has to become law. Sir, ever since this House took the decision to nationalise the mines, we have been in constant touch, close touch and close discussion with the Government of India. I am very happy to say that at no stage was there any inclination no the part of the Government of India not to help us. At every stage they were very helpful But there were extraneous circumstances and considerations which stood in their way. I wish to place on record the kind help given to us by the Government of India. Our beloved Prime Minister, the present Finance Minister and the Minister at the helm of affairs in the Ministry of N.R. and S.R. took a very sympathetic view of it. Right through all these negotiations, there was one anxiety in their mind. namely, as far as possible it should be an agreed solution, for reasons more than one. The Chief Minister went to Delhi; and held preliminary discussions. Then, the Minister for Law and myself went at some stages; we were fully briefed by the Government to take diclsions there. At last by the kind and good offices of the present Finance Minister of Government of India, we were able to have an agreed solution which has culminated in the presentation of this Bill before the Hon'ble House. That I think, Sir, in brief is the narration of events that led to the presentation of this Bill.

I shall now deal very briefly with the salient provisions of this Bill. I would also like to make it clear that this nationalisation is not an end in itself. I can only say, it is a means to an end. I can assure the House that the question has been examined in the minutest detail, more specially from the economic point of view and this decision has been taken after a good deal of discussion, after a good deal of thinking, though of course, risks are always there. We are all aware there are so many risks in life; risk is a necessary element in our life, much more so, with regard to risks involved in operations like mining, where, if we are lucky, we can just get a thing which we have never anticipated. I would presently show what has happened and what has led us to be very courageous and very cheerful about this nationalisation.

In mining industry, as everybody knows, risks are there. Just as we say; 'if you do not take risk to learn swimming' and hesitate to fall into water, it is not possible to learn swimming, we have to take risk in matters like this. Government have not been, if I may use the word, 'fool hardy; Government have taken certain risks.

As I have already said, Sir, this Bill has been drafted on an agreed basis. The provisions of the Bill have been examined very thoroughly from all points of view. The Bill contains very few clauses. I believe there is no room for any substraction or addition in the Bill so far as the structure of the Bill is concerned. Hon'ble Members may still be having in their mind the structure of the Bangalore Transport Services Bill. There we had substantial change with regard to certain basic principles.

Under clause 3, this Bill provides for the acquisition of the undertakings of the Companies. The word 'undertaking' has been used in its rather grammatical sense meaning a running business concern, an industrial concern as a gold business concern and it conveys what is meant by an undertaking. The definition clause has been simple. We have taken the Rupee companies that are in existence in India to-day as they came into existence after the Agreement of 1949. Under the Agreement of 1949 we have no domain over the Sterling Companies. I invite Hon'ble members' attention to page 129, Appendix G of the Report wherein in clause (2) it is stated like this :

> "After the said Gold Duty Act has been repealed and not later than the 31st December 1950 each of the Companies will respectively incorporate in the State of Mysore a Public Company with limited liability to take over its undertaking and assets situate in the State of Mysore".

Please mark the words 'to take over its undertaking and assets situate in the State of Mysore'. This Agreement is in force to-day. Therefore, we have taken into consideration only the Companies situated here and those are the only companies that are functioning to-day. The Sterling Companies are not functioning in India. Their share values were transferred as share values of the Rupee Company, though of course, certain assets which they might have built up out of their own resources then, were not taken into consideration. Then, what the undertaking of the company is the possible inclusions therein like assets, rights, powers, authorities etc., could be seen in sub-clause (2) of clause 3. It is exhaustive. It also includes all borrowings, liabilities for the payment of any taxes and other public dues and other liabilities and obligations of the Companies in relation to their undertakings which are subsisting on the vesting date. Under sub-clause (3) all property vesting in the State shall by force of such vesting, be freed and discharged from all trusts, etc., restricting the use of such property in any manner and all such restrictions shall be deemed to have been withdrawn. According to sub-clause (4), all contracts entered into between the Company will be in force as if they have been entered into by the Government, or with the Government. Sub-clause (5) is with regard to legal proceedings and other things as might be enforceable against Government. Then, Sir, there is sub-clause (6) (*a*) which says:

> "the shares held in the Kolar Mines Power Station (Private) Limited by the other three Companies shall not be deemed to have been vested in the State."

The object is that since the other three Companies are the shareholders in the undertaking and they have got share value at 7·33 lakhs separate compensation is payable as provided in clause 9. It is Rs. 7,33,330. That amount will have to go to the Companies namely, the three Companies we are now acquiring.

Sri J. MOHAMED IMAM.—I want a little clarification. It is stated here that these shares will not vest in the State. I want to know the implication.

Sri H. SIDDAVEERAPPA.—I will certainly welcome any interruption. But, I shall be much obliged if you can put me questions later on because the chain of thoughts is likely to be missed if, though I do not call it interruption, points are raised for clarification at this stage. I would like to be as brief as possible. I have now understood the point of the Hon'ble Member.

(SRI H. SIDDAVEERAPPA.)

Why we exclude is for this reason; those shares are owned by these three Companies. Whatever is to be given by way of compensation has to include 7·33 lakhs. That will be distributed to the three Companies. If the Government were to take it, it means Government would be taking these assets without paying compensation. The Kolar Mines Power Station is a separate company whose shares are held by the other three Companies that are now proposed to be taken over. Any compensation that we pay to the Kolar Mines Power Station Company will go to the other companies proportionately. Therefore this restriction has been put namely:

> "The shares held in the Kolar Mines Power Station (K.G.F) Private Limited by the other three Companies shall not be deemed to have been vested in the State."

I hope I have made it clear.

Then, regarding (*b*), Sir, it has the effect for terminating the services of the Managing Agents M/S John Taylor & Sons who have entered into an agreement with the several companies.

Then, Sir, according to clause 4, leases etc., as from the vesting date ttand cancelled. The House is aware shat the Companies have the lease rights for a period of nearly 14 years. I think they end by March 1970.

Clause 5, refers to services of employees. This is a very important clause. So far as the employees are concerned we have clearly provided as follows:

> "5. Transfer of service of employees of the companies to the State.—(1) Every officer or other employee of any of the companies (excepting any person holding office as a director, managing agent, adviser, solicitor, consultant or auditor) in the employment of the Company immediately before the vesting date shall, in so far as such officer or other employee is employed in connection with the undertaking of the Company which has vested in the State, become as from the vesting date an officer or other employee, as the case may be, of the Government and shall hold office therein by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension and gratuity and other matters as he would have held the same on the vesting date if this Act had not been passed, and shall continue to do so unless and until his employment under the Government is terminated or until his remuneration, terms or conditions are duly altered by the Government. (2) Notwithstanding anything contained in sub-section (1), or in any contract of service, the Government may, for the purpose of rationalising the pay scales of officers and employees of the Companies, alter the terms of service of the officers and other employees as to their remuneration in such manner as it thinks fit, and if the alteration is not acceptable to any officer or other employee, the Government may terminate his employment on giving him compensation equivalent to three months' remuneration unless the contract of service with such employee provides for a shorter notice of termination."

Regarding compensation payable to Officers, that has also been provided in sub-clause (3). This is also very important. The object is, under Central Act XIV of 1947, if there is termination of service any employee may have an actionable claim against the original employer. By this clause it has been specifically provided that after the vesting date there will be no liability whatsoever attached to the Company regarding the contractual obligation between them and the employees of the Company. That is why in sub-clause (1) we provide that every officer who is in service on the date of the vesting shall continue subject to the existing terms and conditions, and until we come to sub-clause (2) where in accepting the principle of rationalisation of pay scales which have to be very carefully worked out, if certain contin-

gency were to happen, then an option is given to the employee to accept and if the alteration is not acceptable the Government may terminate his employment on giving him compensation equivalent to three months' remuneration unless the contract of service with such employee provides for a shorter notice of termination.

Sir, this has been put in solely to see that no employee of the Company should feel any kind of grievance after the date of vesting In our scheme of things we do not want to unduly interfere in the structure of management almost immediately so far as the employees are concerned. For one thing this is a highly technical work and for another until such time as we feel a sense of security, which in my opinion may not take a very long time, and take the reigns of the adiministration and work it, there should be least disturbance in the existing set up. On the technical and other aspects it may be much safer and wiser if we allow the things to continue for some time to come. Therefore, I wish to take this opportunity of assuring the employees of the Company, both Indians and non-Indians, that nothing will be abruptly done which goes against their interests. I wish to appeal to them also that now having achieved the object, the most successful working of this concern depends primarily on them. It is with this object that the clause has been put as clearly, as succinctly and as unequivocally as possible.

Clause 6—This clause refers to Provident and Superannuation Funds. We have clearly stated what should happen with regard to them. We have stated that some liabilities may continue free from the trusts and the State will have to develop and take it as a running concern.

Clause 7—This is a very important clause in the sense if we find that there are any agreements that have been entered into not reasonably but with some purpose, which I hope there are none, within one year of the date of vesting, we may apply to the court and seek remedy through the court.

Clause 8.—This clause is in a sense what is termed in our Nationalisation of Transport Bill 'dissipation' clause which was jarring to the ears of Sri K. Pattabhiraman. Therefore it has been put in a manner so as to see that it does not import anything which may indicated that there is something wrong. All these are contingencies and we should not forget this clausse if such a contingency were to arise as has been envisaged in the clause. The date 18th June 1955 is put in because, on that date the decision of the Cabinet to nationalise was announced to the whole world by the Chief Minister in one of his Press Conferences. That date we have taken as a crucial date from which we can make allowances as has been stated in clauses (a) to (f), which Hon'ble Members might have noticed in the other Bill which was piloted here a few days back.

Next clause, namely if, there is a dispute that dispute will not go to a court though of course even an arbitrator has to work under what is called the Arbitration Act and relevant provisions thereunder. The arbitrator will have to be nominated or appointed by both the parties if there is an agreed name. If not, a high dignitary of the Government of India, namely the Minister Finance Government of India, has been given the power to nominate an arbitrator. This clause has been put in with a view to see that the work is done as expeditiously as possible.

Sir, Clause 9.—Here I have to explain in greater detail as to why these undertakings have been valued at Rs. 1,64,00,000 and how we have valued it and how we were able to make the allocations as between various companies. I would take it up later.

Clause 10—Mode of giving compensation—This has been very clearly laid down. On the date of vesting three-fourths of the compensation will be paid and for the remainder it will have to odepend upon clause 8 under which Government may have to take any action if such a contingency were to arise. A time has been fixed where within three months we have to register our claims. That means we have to be very alert and we have to look into the payments and other things. Here, the date of vesting or at any time

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before the 1st November 1956, means that as soon as the vesting takes place within three months we have to register our claims.

Clause 11 :—This deals with certain liabilities of the companies to deliver property etc. They have to furnish certain particulars under this clause.

Clause 12 and 13 :—Our officers are empowered to enter as soon as this Act is passed by an order of the Government and then they can take such action as may be necessary to find out what is in the mines.

Clause 14 :—Penalties—This clause applies when any person fails to act according to this Act.

Then, Sir, the last is a saving clause for the Government and the officers, protection that ought to be given to any action *bona fide* taken in due disscharge of their duties.

In clause 16 we have powers to frame rules.

This, in short, is the scheme of this Bill which I hope to the best of my abilities, I have tried to explain to the Hon'ble Members.

I have already stated that the important clause is the one relating to compensation. That is a clause which requires some explanation in detail.

Regarding the compensation the final sum of Rs. 1,64,00,000 has been determined after taking into account several factors and after careful consideration. It would be necessary to explain how this sum was considered reasonable. The paid-up capital of Rs. 162.402 lakhs is as follows:—

Mysore Mines	Rs.	81.334 lakhs
Champion Reefs.	Rs.	43.334 ,,
Nandidrug Mines	Rs.	37.734 ,,
Total.	Rs.	162.402 ,,

It will be seen that the compensation proposed to be paid is slighlty higher than the paid-up capital. The industry earned substantial profits in the past. During the years 1940 to 1956 in spite of the levy of Gold Duty the concerns worked reasonably well. As such the repayment to the company of their paid-up capital should not be considered unreasonable. The second consideration is the net value of the assets as on 31-12-1955 less actual liabilities. When this general reserves and the depreciation development reserves which are not actual liabilities, are omitted these amount to Rs. 211.93 lakhs as follows. That is the net value of the business.

Mysore Mines.	Rs.	77.85 lakhs.
Champion Reefs.	Rs.	64.19 ,,
Nandydrug Mines	Rs.	69.89 ,,
Total		211.93 ,,

In computing this amount, the intangible assets such as "Mining Rights" and "Preliminary Expenses" have been totally ignored. Some of the Hon'ble Members are aware that these preliminary expenses are simply historical which they are said to have incurred when the companies were incorporated. This is in the order of about Rs. 1 or Rs. 2 lakhs. Thus, as per the published balance sheet we have as on 31-12-1955, for a net payment of Rs. 164 lakhs, assets worth Rs. 211.96 lakhs net are being taken over.

10-30 A.M.

A Member.—Who has valued the assets?

Sri H. SIDDAVEERAPPA.—A very well known firm, Toplis and Harding, and Kapadia and Baria. The Government of India Officers also have valued the assets.

Sri B. HUTCHE GOWDA.—(Turuvekere) What about the assets in England?

Sri H. SIDDAVEERAPPA.—We have no right to lay our hand on assets in England.

Certain investments may come to a figure varying from Rs. 30 to Rs. 50 lakhs which in the present instance has been excluded.

There are two items of liabilities which are to be considered in this connection and which should be provided for, *viz.*, Contingent lia ilities on account of bonus due to labourers for 1953, 1954 and 1955 and part of 1956, estimated at about Rs. 30 lakhs and

also an additional liability towards contribution to Pension Fund estimated at about Rs. 18 lakhs. It is considered that these two liabilities would be fairly covered by the difference of Rs. 47.93 lakhs, that is, Rs. 211.93 minus Rs 164 Rs. 47.93 lakhs. On this basis too, the payment of compensation at Rs. 164 lakhs would be found to be reasonable.

The valuation of the shares of these three companies at their average market value—such value being computed on the basis of quotations in India wherever such were available and those in U. K. where no quotations were available in India - in India only one company's shares were quoted in Madras market by a single broker and no other broker is dealing in these shares.....

Sri A. BHEEMAPPA NAIK.—Out of these Rs. 211 lakhs, could you tell me the depreciation fund for machinery and the resources built by them either here or in England ?

Sri H. SIDDAVEERAPPA.—Depreciation fund and other things are here.

Sri A. BHEEMAPPA NAIK.—May I know the amount of depreciation fund and also the reserve fund ?

Sri H. SIDDAVEERAPPA.—Sir, the amount of Rs. 211 lakhs, I would like to make it clear, is not exclusive of depreciation and other reserves.

Sri A. BHEEMAPPA NAIK.—They also form part of the assets ?

Sri H. SIDDAVEERAPPA.—I have taken here for the purpose of assets depreciation account also. I only did not refer to it because I felt that it may not be necessary for the purpose of this discussion.

The valuation of the shares of these three Companies, as I have stated above, during the period of past ten years also amounted to about Rs. 164 lakhs. Calculated in any manner, the figure comes to Rs. 164 lakhs. It should be remembered that it was in 1945, with the introduction of the Gold Duty Relief Act, that the restriction of the dividend was brought into the picture in the working of these concerns. From 1947, a similar restriction of dividend took place in U. K. Any assessment of a fair value of the shares on the basis of market rates which ruled during the period immediately preceding nationalisation for this purpose, could be fully justified if these concerns were working as a free enterprise without any restriction during that period. In view of the fact that the rates of dividends to be declared were to some extent restricted since 1945, it would not be fair to argue that the market values of the shares on any particular date did represent a fair value. It is, in order to obviate any adverse effects that might have crept in, as a result of this position, that the average market value over a period of 10 years since 1945 was taken into account. On this basis too the sum of Rs. 164 lakhs is not unreasonable.

While it is appreciated that under the present Constitution of this country, we have the right to assess the compensation payable to such industries, it should be emphasised that it is not the intention to nationalise industries by paying unreasonably low amounts as compensation. The Prime Minister of India has, from time to time, emphasised that it is the intention to pay fair and equitable compensation and this principle has to be borne in mind at all times and with particular emphasis when it affects foreign capital and a majority of shareholders are foreigners.

Nationalisation of the mines has been undertaken, as already stated above, with a view to ensure that they are run in the interests of this country and the interests of the people of this country. It has not been the object to deprive the present shareholders of their industry without paying them compensation which is fair, equitable and just.

The next question that may arise is : when I say that Rs. 164 lakhs is just and equitable compensation why did we fix it at Rs. 87.8 lakhs at that time, *i. e.*, when I first made my proposal to nationlise ? Sir, it takes a lot of time. It is better we adjourn for lunch and I may be permitted to continue after lunch.

Mr. SPEAKER.—What is the time that the Hon'ble Minister wants to take ?

Sri H. SIDDAVEERAPPA.—If any time limit is sought to be fixed, I shall close within the allotted time. I am trying to be as brief as possible. But I will have to give certain explanations while I am dealing with the most important clause in this Bill, that is, the compensation that will have to be paid to the Companies. If you want that I should conclude my speech, I have no objection.

Mr. SPEAKER.—The House will rise for lunch and meet at 11-5.

The House adjourned for Lunch at Thirty-Five minutes past Ten of clock and re-assembled at Ten minutes past Eleven of the clock.

[Mr. Speaker in the Chair]

Sri H. SIDDAVEERAPPA.—Sir, I was just posing the question to myself as to how I say now that Rs. 164 lakhs constitutes proper compensation, while I fixed the figure of compensation at Rs. 87.8 lakhs when we discussed this subject on a previous occasion in this Assembly. That figure of Rs. 87 lakhs was based on the average value of shares just before the commencement of the policy of nationalisation on a particular date, namely, 6-1-55 in respect of Champion Reef and Nandidrug Mines and the highest share values obtaining in the Indian market for the shares of Mysore Company subsequent to June 55 when it went into li quidation.

The global figure of compensation of Rs. 164.03 lakhs was arrived at by taking the ten-year average (1945-54) of the stock exchange quotations of the three Sterling Companies. In allocating this sum between the three K.G.F. Mining Companies it is not equitable to use the stock exchange quotations over the ten-year period. On this basis the Nandydrug Company would only receive approximately two-thirds of the amount of compensation received by each of the other two Companies, *viz.*, Mysore and Champion Reef. But the Nandydrug Mine is now the most profitable and has the best prospects of the three mines; it should therefore receive a larger share of the compensation.

In order to obtain a valuation of their properties, the three Companies jointly retained Messrs. Toplis and Harding Eastern) Ltd., and Messrs. Kapodia and Baria to make a valuation report. They surveyed all the Companies' assets and gave a valuation of assets less liabilities, plus future profits on the basis of proved ore reserves and average profit for the last five years.

The principles adopted were identical in the case of each Company and therefore although the total figure is different from the agreed figure of compensation (Rs. 164.03 lakhs) the proportions for each Company can be used to allocate the global sum pro rata between the Companies without discrimination. The figures will be as follows:—

Mysore Mines	...	47.72
Champion Reefs.	...	52.82
Nandydrug Mines.	...	63.49

On this basis it would come to Rs. 164,03,000, less nominal value of shares held by the Mining Companies in Kolar Mines Power Station (K.G.F.) Private, Ltd, which comes to.

Mysore Mines.	...	2,39,920
Champion Reefs.	...	1,82,510
Nandydrug Mines.	...	3,10,900
	Total	7,33,330

Making a deduction for this, the net compensation will have to be paid in the way in which I have put in clause 9 of this Bill.

Sir, I have already made it clear that having accepted the Agreement of 1949, assets in U.K. were excluded. In agreeing to this compensation I had in my mind the various precedents that we find in U.K. and in India. It should be remembered the three Nationalisation Acts that have come into force are Indian Air Transport Nationalisation Act, Nationalisation of the Imperial Bank and the Nationalisation of the

Life Insurance. Hon'ble Members would kindly bear in mind that none of these three refer to a basic industry like gold industry; they are for a different purpose altogether. Further, I have not got any single instance anywhere in the world so far where a gold industry has been nationalised. Therefore, this is the first State, if I may say so, which has a unique distinction of nationalising a gold mine and that too of a foreign company. Also this is the first State which is nationalising a mine in India.

As I have already said, the valuation of assets comes to Rs. 211:93 lakhs. The paid—up capital also I have made very clear. One other circumstance was kept in mind while fixing the compensation. Hon'ble Members are aware that in the lease deeds that have come into force there is a clause. The lease deeds came into force on 22nd March 1940. In the lease deed it can be found what is called the 'renewal' clause. As the leases stand to-day, they expire on 22nd March 1970. Even under the Mineral Concessions Act under certain specific conditions and circumstances the Companies have a right to get the leases renewed. This additional factor was also kept in view when this global compensation was conceded and has been agreed upon.

Sir, I want to make it very clear that this clause has been agreed to after taking into consideration various factors. When I put it at Rs. 87.8 lakhs at an earlier stage according to my opinion certain other factors were not taken into consideration. The House should not forget that when I put it at 87.8 as the compensation, there were others sitting at dizzy heights and saying that the compensation would be anywhere near 14 crores, 12 crores, 8 crores and so on. There were various figures. In this context when I put 87.8 lakhs that was a point that could be arguable as a justifiable circumstance even on the basis of the share value.

Now, Sir, we have agreed on this, for another overriding consideration *viz.* this is the first time we are nationalising a foreign company. We do not want to create any kind of a feeling in any part of the Globe that we did not honour our words and the words that had been solemnly given by our Prime Minister when the amendment to article 31 took place. We also know that for the successful implementation of our Second Five-Year Plan, to a very large measure, we depend upon foreign capital which is not attached with any strings. We feel that taking all these over riding considerations this compensation that has been put here is not only reasonable, is not only just, but generous, in order to create a sense of security in the minds of a foreign investor who wants to come and invest his capital for the economic development of this country. We depend to the extent of nearly Rs. 800 to Rs.1,200 crores on others for the purpose of development of our country in the Second Five-Year Plan. Therefore, we have taken the advice of the Central Government who have the right to advise us. Sir, under Article 31 of the constitution, the assent of the President is incumbent before the Bill becomes law. We found after careful consideration the advise tendered by them was just and reasonable and hence we agreed to this compensation although at an earlier stage, taking a limited circumstance within our arbit, we thought that Rs. 87.8 lakhs would be reasonable.

I think, Sir, I have made this point clear. I request you to excuse me for having taken a little more time on this clause which is an all-important clause in this Bill.

I have already stated how we fixed that figure. I do not think any breakup is necessary for Rs. 87.8 lakhs. There is another point which requires some explanation. Somebody may ask why we are taking these Companies and what the object in taking these mines is. As could be seen the Mysore Mine has been working from 1884. It has already worked for 72 years. The Champion Reef has worked for 64 years and the Nandydrug also has worked from 1882; it has worked for 74 years. Somebody may ask: Mining is a wasting asset, what have you got in view? Why do you want to take these mines? I think I owe some

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explanation or some clarification to this House on this point.

Sir, I am very happy to say that the Government of India have started a very systematic survey of the area. A party of Geologists belonging to the Geological Survey of India have been deputed to carry out systematic large scale survey of the gold mines. They have already worked two fields They have taken the area of five miles by one mile for the purpose of exploration. I am very happy to say that within this small period, the exploration has shown very encouraging results. The results are that there are quite a large number of reefs and there are large ore bodies which could be worked for a long period. Depending upon the known resources of these mines it can be safely said that 2 lakhs fine ounces are extracted on an average per year. It is estimated by experts that Mysore Mine could last for another 20 years, Champion Reefs for another 20 years and Nandydrug which is our bright star and main hope, for another period of 60 years. It has been estimated according to the figures independently collected and exami ed by the Government of India experts and by our own advisers that we have in Mysore mines 4,31,190 tons ores in reserve ranging from 11.93 penny weight per ton to 3.67 penny weight and the gold reserve is said to be about 1,65,495 fine ounces. One fine ounce is equal to roughly $2\frac{2}{3}$ tolas. The value of this gold would be 413.8 lakhs. Champion Reef has a known reserve of 11 23,532 tons ; grade varies from 3.85 to 9.88 and the gold is estimated to be 5,14,820 fine ounces, value being 12 crores 87.1 lakhs. In Nandydrug it is estimated to be 29,25,000 tons and the grades on an average being 6 penny weight per ton and the gold is estimated to be 8.76,937 fine ounces, the value being 21 crores 92.3 lakhs.

Sri K. PATTABHIRAMAN (Kolar).—They are in the bowels of the earth!

Sri H. SIDDAVEERAPPA.—Yes, all that will have to be brought out and these ore reserves will have to be developed. They will have to be put on a systematic developmental work, scientific planning and these reserves will have to be used something like bank balances. The developmental work also has been very successful and I can only say the development has shown encouraging results.

Then, Sir, I have one more point to bring to the notice of this Hon'ble House. I have already said that so far as developmental ore reserves are concerned, we have been at it and the results shown are very encouraging. This I think in brief is the story of this Bill.

Sri L. SIDDAPPA.—Mr. Thomas says that you are painting a very rosy picture.

Sri H. SIDDAVEERAPPA.—Sir, I am an incurable optimist and I believe optimism is the very spice of life. This House might rightly congratulate itself for having seen, during its life time that, we are able to place this Bill before it. My mind is like that of a pilgrim who after his long and tortuous journey forgets all his worries as soon as he sees the Deity ; forme the Deity before me is this Bill. I, there.—fore, pray that the House may accord their approval to this Bill.

11-30 A.M.

MR. SPEAKER.—Motion moved :

"That the Kolar Gold Mining Undertakings (Acquisition) Bill, 1956, be taken into consideration."

Sri J. MOHAMED IMAM (Jagalur).—I want one clarification. What about the Oorgaum Mine ?

Sri H. SIDDAVEERAPPA (Minister for Home and Finance).—Some of the assets of the Oorgaum Mine have been merged with the Champion Reefs and as the Hon'ble Member knows it is under liquidation. I have kept it apart from the provisions of this Bill.

Sri K. S. VASAN (Kolar Gold Fields).—While moving the Bill, the Hon'ble Minister stated that sub-clause (3) of Section 5 is provided in the Bill in order to ensure that the employees do not get any retrenchment compensation from the mining companies, the undertakings of which are taken over by the Government. But

has it not also got another interpretation that the services of the employees and other officers who are transferred to the services of the State, would be counted only from the date of vesting and that their transfer would interrupt the continuity in service?

*Sri H. SIDDAVEERAPPA.—I have given an assurance that the transfer as from the vesting date will be subject to all the conditions attached to the terms of service etc. and I do not see there is break in service at all.

*Sri J. MOHAMED IMAM.—Sir, after having heard the elaborate statement of the Minister in charge I do not propose to take much time of the House and I can assure that I will not discuss the Bill as I did at the time the Report was discussed. It gives pleasure to the Opposition whenever they find that their views have been upheld and the Treasury Benches fall in line with the Opposition. (*Laughter*)

Mr. SPEAKER.—There will be such occasions and one of such occasions is this.

Sri J. MOHAMED IMAM.—So, it is with greatest pleasure that I support this Bill unhesitatingly and unreservedly. The Opposition agreed in the dispensation of referring this to the Select Committee. Whenever a measure of first-rate importance is brought before this House which we feel it is for the good of the country and which will enhance the prestige of the State, we will be the first to give our support, just as it is our duty to oppose any measure which is injurious to the State. That is what has happened in this case.

We know that a certain step has been taken by the Government in the year 1949. Then the Government perhaps in all *bona fide*, thought it wise or thought it prudent to abolish the Gold Duty. At that time we opposed that move very stubbornly in this House. We gave our views and expressed that the abolition of the Gold Duty would bring ruin to the State. Now, Sir, we stand vindicated. Our views have been upheld and it is a matter of great personal gratification to us that whatever views we expressed have been amply borne out by future events and I am glad that now the Government wants to atone and undo the loss caused as a result of the step taken at that time. In view of the limited time at our disposal, I do not want to dig into the past. It has been my privilege to be associated with the various steps taken regarding the Kolar Gold Mining Companies. Sir, I was present when Sri K. C. Reddy made a momentous speech at the time the lease was renewed by the Government. I can very well remember what Sri K. C. Reddy and late Sri K. T. Bhashyam stated at that time. They said that the Government should nationalise this concern. I was also present when the Government thought it fit to impose Gold Duty. I was associated as Minister in various administrative steps that were taken. We gave to the Company relief by way of some *ex gratia* payment. But suddenly we found one day that the Gold Duty was abolished and it was replaced by a new agreement. At that time we expressed our opinion that this new agreement would not serve the purpose we had in mind but on the other hand it will damage not only the finances of the State but will take away all the powers that were vested in the Government. It was assured that the new agreement would work much better and would bring in large revenue. But, as we have seen, the new agreement put the Government in such an awkward position that they were quite incapable of getting any revenue for 1954-55. We were getting an average annual income of more than a crore of rupees and we did not get any revenue in 1954-55. I do not find any fault with the Government; it may be they entered into a new agreement with all *bona fide*. But the subsequent events showed that that was the piece of agreement which was not conceived with all considerations. It was my misfortune to bring this to the notice of the House in the course of my Budget speech. I was bemoaning the loss of this revenue but the Government did not pay heed. At this time it is my duty to pay my compliments to the Government which was headed by Sri

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K. Hanumanthaiya who took a firm stand. I must also compliment Sri H. Siddaveerappa who worked this up and compliments from the Opposition is very rare. When the Government was bereft of all revenues Sri K. Hanumanthaiya appointed a Committee. That Committee consulted me and I hailed the idea of nationalisation. Since then they have worked incessantly and today nationlisation of these mines has become an accomplished fact. I remember Sri K. Hanumanthaiya stated that he would rather nationalise these companies. By the subsequent events that have happened and the way the Companies have behaved, I thought the only inevitable course was to nationalise it and that has been done.

As pointed out by my friend, gold mines of Mysore are of unique significance to the State. They have brought prestige to the State. I understand that mines of this nature are found nowhere in Asia. We are proud of these assets and it is our duty to see that the longevity of the mines are maintained and they are useful to the State.

The only fear that I entertained all this time was, if the present companies were allowed to work indefinitely then what would be the fate of Mysore? It has been pointed out in the Report that the gold mining authorities in their zeal to get as much profit as possible, were working only high grade ores. Now with this Nationalisation the whole concern will be transferred to the Government and they will have to examine the position. I am glad the Minister pointed out that the life of these will continue at least for 60 years. He gave us a rosy picture. He pointed out that the quantity of reserve ores is immense. I am also optimistic. In fact just today some gentleman said that these mines extend up to Dharwar.

(*Applause*).

That is the opinon expressed by some geologist. But this much is certain and it has been admitted by eminent geologists that gold bearing ores exist in a number of places in the State of Mysore. In the new State of Mysore there is room for brighter prospects. I am glad after the new State comes into being we are going to get another gold mine. It is also well on the way and it will be another asset to the State. I am sure after the Government takes over these mines they will appoint a separate agency and separate department to find the various areas where gold can be unearthed.

Sir, regarding the Bill, I have nothing to say. I may state that it is well drafted. I think there is very little change to be made. They have taken every precaution and there is very little to be altered. That is why we stated that there is no need to refer it to a Select Committee. Secondly, it is unwise to make any change in this Bill because it has been drafted and scrutinised by experts. It is a matter of satisfaction that they have retained the clause by which the present employees are allowed to and must continue. It is a step in the right direction because this nationalisation scheme may be acceptable to some or may not be acceptable to others. In the interest of efficient working of the mines the employees should not be allowed to leave or try to dictate their own terms. This is a good clause and it is necessary. At the same time when we are taking a possible risk and when we are anxious of the future prosperity of the mines, it is the duty of the Government to see that no place is given to hostile or anti-social elements who may work against the interest of the State. We do need technical men and I have no doubt that the present technicians will continue to work to the best of their abilities. The present technicians, I am sure, are all men of integrity and in the future set up they will do their best and see that the confidence we repose in them will materialise. At the same time Government must also be vigilant.

After nationalising the mines, many of us are nervous of the future. Before this step was taken many of us expressed a doubt whether we

are competent to undertake this complicated concern, whether it will progress and prosper. I said for a human being nothing was impossible. We have got enough intelligent and technical personnel. Even if it comes to the worst and if we close these mines, we have the supreme satisfaction that our gold remains within our State and if we are unable to work, our sons and grandsons will work it out. I am not worried about the future. But, now to be on the safer side, Government must be very cautions, vigilant and treat this concern purely as a business concern.

Well, Sir, as I pointed out the other day, when the concern comes to the charge of the Government, it i quite possible that the smooth working of the concern may be hampered on account of the various rules prevailing within the State. If I can give you one example, in any business concern, the persons in charge of it must take quick decisions. They must act quickly. On the other hand, for every pie, if they have to seek Government sanction, necessarily it has to come to the Financial Secretary, Accountant-General and various processes will have to be gone through and by the time sanction is received, so much mischief would have been done. I am glad Mr. Sydney Thomas is with us and he will be a tower of strength. Only please take care to remove the disqualification in respect of these gentlemen—Mr. Swami Durai and Mr. Thomas. I am glad they will be the connecting link and they will be a great asset in the future management of this concern. So Sir, Government should think seriously as to what should be the future set up for the management of this concern. It cannot become a Government department like any other department. This is a business concern and the Hon'ble Minister concerned has not explained as to what he proposes to do in future, what will be the set up, whether he is going to appoint a Board or whether there will be a Corporation. He has not made clear as to whom he is going to entrust it. I think the Hon'ble Minister has applied his mind to this aspect and I hope he will be able to tell us. I am anxious that the concern should run as it is with the present technicians and the management vesting in a Corporation that will practically be independent of the Government and that will take quick and wise decisions in the interests of the country. I have also stated that officers hereafter must regard themselves as servants of the Government and they must make their utmost contribution.

There is I think one danger. I think it is my duty to explain this to Sri Vasan from K. G. F. For all practical purposes, we are in an infant stage. We are going to undertake a concern which is new to us. I know the management, labourers and all of us are interested in its future management. So in the future set up, the labour population who form a considerable number and who form the important element and whose number comes to about 26,000—they must cooperate and give their best support for the prosperity of this concern. It was expressed by some that K. G. F. is a place where there is a good deal of labour trouble. Very often we find labour troubles and other things. Hereafter, it must be understood that labourers are also Indians. This will be an Indian concern and our interests are one. The interests of the labourers will be looked after as much as labourers themselves look after the interest of the mines. Simply because Government has taken over and it has been nationalised, they should not entertain their own aspirations. I have no objection if they aspire for higher emoluments when the time comes. But now we are in an infant stage. It is therefore for all of us to render all our active co-operation even at the cost of personal sacrifice and see that the mines are put on a sound basis. It would be in our own interests to place them on good footing. It is a nationalised concern and everybody should imbibe the national spirit and try to bring credit and glory to the State of Mysore as we have ventured to undertake this new concern.

Sir, regarding compensation, I might state that the Government has been generous. Perhaps, personally left to

(SRI J. MOHAMED IMAM.)

us, we would have been justified in lowering it, because the Gold Mining Companies have derived 30 to 40 times their investment. I am not worried about it so much. But they must understand that all sterling assets which are now found in England and which would have legitimately come to us but for that disastrous clause in the agreement which limits it only to assets in Mysore, should have come to us. All these assets were also built up by these Mining Companies through these mining operations in Mysore. So, it must now be undersood that the Mining Companies get compensation not only 164 lakhs but along with that they get all the sterling assets which comes to about 50 lakhs of pounds. What is retained in England is given on page 29 :

Mysore Company :	£	78,241
Champion Reefs :	£	15,960
Nandidoorg Mines	£	44,084
Oorgaum Mines	£	1,25,000

This is a considerable sum, which was retained shrewdly in England. This was one of the manoeuvers which was unearthed when they converted the Sterling Company into Rupee Companies. They loaded the Rupee Company with all the liabilities and all the assets were retained with the Sterling Companies with the result that all these assets go to the Sterling Companies so much so the actual compensation payable to them will be not only 164 lakhs, but in addition all the sterling assets retained in England.

Sir, I do not want to take much time. I am only anxious about the future working of this company. I am anxious that the longevity of the mines should be maintained. I am anxious that it should prove a real asset not only from the point of view of getting more revenue, but from the point of view of being more helpful not only to the Government but to the labourers also. Now that we have taken an important step, hereafter, a good deal of co-operation, statesmanship and wise handling of affairs of this concern, will be required and I am sure the Hon'ble Minister will bear this in mind in coming to correct decisions.

With these observations, I support this Bill.

Sri Mulka GOVINDA REDDY (Chitaldrug).—Sir, I support the Kolar Gold Mining Undertakings (Acquisition) Bill, 1956. While extending my support, I am afraid, I must be critical of some of the provisions.

Mr. SPEAKER.—Now that the Leader of the House is present in the House, let me ascertain his views on the question of completing this Bill today. Several Hon'ble Members have expressed their idea that it will not be advisable to pass this legislation today alone in haste.

Sri Kadidal MANJAPPA (Chief Minister).—It is not the intention of the Government to hustle through this Bill, Sir. Discussion on the Bill may go on till 12-30 today and it may be taken up on the 16th or 17th.

Sri Mulka GOVINDA REDDY.—Now that the Bill is going to be taken up on the 16th, I may be permitted to continue on that day, Sir.

Sri Kadidal MANJAPPA.—Even after the 16th, we will have only three or four days and there are a number of items which will come up before this House. Therefore we must not presume that we have got plenty of time. It is better that this Bill is discussed today as far as possible.

Mr. SPEAKER.—If the Bill cannot be passed today, we shall pass on to some other Bills which may easily be finished today.

ಶ್ರೀ ಕೆ. ಪ್ರಭಾಕರ್ (ನೆಲಮಂಗಲ—ಅನುಸೂಚಿತ ಜಾತಿಗಳು).—ಚೆನೈನ್ಸಿ ಬಿಲ್ ಪತ್ತೆ ಇಲ್ಲದ ಹಾಗಾಗಿದೆ. ಹಿಂದೆ ಅದರ ಮೇಲೆ ಅರ್ಧಚರ್ಚೆಯಾಗಿ clarification ಗೆ ವಾಪಸು ಹೋದದ್ದು ಪುನಃ ಬರಲೇಇಲ್ಲ. ಈ ರೀತಿ ಆದರೆ it becomes a bad precedent. ಅದಕ್ಕೆ ಪ್ರೋತ್ಸಾಹಕೊಡಕೂಡದು. ಚೆನೈನ್ಸಿ ಬಿಲ್ಲಿನಮೇಲೆ ಚರ್ಚೆಗೆ ಅವಕಾಶ ಮಾಡಿ ಕೊಡಬೇಕು.

Mr. SPEAKER.—That question should have been raised much earlier. Any question with regard to the Agenda should be raised after the question hour. I do not allow that point to be discussed now.

The Hon'ble Minister for Finance will now move the Appropriation Bill.